

House File 144 - Introduced

HOUSE FILE 144

BY JORGENSEN

A BILL FOR

1 An Act relating to state and local funding for transportation
2 by increasing the rate of the excise taxes on motor fuel
3 and certain special fuel, providing for the deposit in the
4 road use tax fund of certain wagering tax receipts and
5 revenues from city automated traffic enforcement systems,
6 and requiring the department of transportation to implement
7 efficiency measures and to prioritize certain primary
8 highway projects.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

MOTOR FUEL EXCISE TAX

Section 1. Section 452A.3, subsection 1, unnumbered paragraph 1, Code 2015, is amended to read as follows:

Except as otherwise provided in this section and in this division, until June 30, ~~2015~~ 2017, this subsection shall apply to the excise tax imposed on each gallon of motor fuel used for any purpose for the privilege of operating motor vehicles in this state.

Sec. 2. Section 452A.3, subsection 1, paragraph b, Code 2015, is amended to read as follows:

b. ~~The~~ For the period beginning July 1, 2015, and ending June 30, 2016, the rate for the excise tax shall be as follows:

(1) If the distribution percentage is not greater than fifty percent, the rate shall be ~~nineteen~~ twenty-two cents for ethanol blended gasoline and ~~twenty~~ twenty-three cents for motor fuel other than ethanol blended gasoline.

(2) If the distribution percentage is greater than fifty percent but not greater than fifty-five percent, the rate shall be ~~nineteen~~ twenty-two cents for ethanol blended gasoline and ~~twenty~~ twenty-three and one-tenth cents for motor fuel other than ethanol blended gasoline.

(3) If the distribution percentage is greater than fifty-five percent but not greater than sixty percent, the rate shall be ~~nineteen~~ twenty-two cents for ethanol blended gasoline and ~~twenty~~ twenty-three and three-tenths cents for motor fuel other than ethanol blended gasoline.

(4) If the distribution percentage is greater than sixty percent but not greater than sixty-five percent, the rate shall be ~~nineteen~~ twenty-two cents for ethanol blended gasoline and ~~twenty~~ twenty-three and five-tenths cents for motor fuel other than ethanol blended gasoline.

(5) If the distribution percentage is greater than sixty-five percent but not greater than seventy percent, the rate shall be ~~nineteen~~ twenty-two cents for ethanol blended

1 gasoline and ~~twenty~~ twenty-three and seven-tenths cents for
2 motor fuel other than ethanol blended gasoline.

3 (6) If the distribution percentage is greater than seventy
4 percent but not greater than seventy-five percent, the rate
5 shall be ~~nineteen~~ twenty-two cents for ethanol blended gasoline
6 and ~~twenty-one~~ twenty-four cents for motor fuel other than
7 ethanol blended gasoline.

8 (7) If the distribution percentage is greater than
9 seventy-five percent but not greater than eighty percent,
10 the rate shall be ~~nineteen~~ twenty-two and three-tenths cents
11 for ethanol blended gasoline and ~~twenty~~ twenty-three and
12 eight-tenths cents for motor fuel other than ethanol blended
13 gasoline.

14 (8) If the distribution percentage is greater than eighty
15 percent but not greater than eighty-five percent, the rate
16 shall be ~~nineteen~~ twenty-two and five-tenths cents for ethanol
17 blended gasoline and ~~twenty~~ twenty-three and seven-tenths cents
18 for motor fuel other than ethanol blended gasoline.

19 (9) If the distribution percentage is greater than
20 eighty-five percent but not greater than ninety percent, the
21 rate shall be ~~nineteen~~ twenty-two and seven-tenths cents
22 for ethanol blended gasoline and ~~twenty~~ twenty-three and
23 four-tenths cents for motor fuel other than ethanol blended
24 gasoline.

25 (10) If the distribution percentage is greater than ninety
26 percent but not greater than ninety-five percent, the rate
27 shall be ~~nineteen~~ twenty-two and nine-tenths cents for ethanol
28 blended gasoline and ~~twenty~~ twenty-three and one-tenth cents
29 for motor fuel other than ethanol blended gasoline.

30 (11) If the distribution percentage is greater than
31 ninety-five percent, the rate shall be ~~twenty~~ twenty-three
32 cents for ethanol blended gasoline and ~~twenty~~ twenty-three
33 cents for motor fuel other than ethanol blended gasoline.

34 Sec. 3. Section 452A.3, subsection 1, Code 2015, is amended
35 by adding the following new paragraph:

1 NEW PARAGRAPH. *c.* For the period beginning July 1, 2016,
2 and ending June 30, 2017, the rate for the excise tax shall be
3 as follows:

4 (1) If the distribution percentage is not greater than
5 fifty percent, the rate shall be twenty-five cents for ethanol
6 blended gasoline and twenty-six cents for motor fuel other than
7 ethanol blended gasoline.

8 (2) If the distribution percentage is greater than fifty
9 percent but not greater than fifty-five percent, the rate
10 shall be twenty-five cents for ethanol blended gasoline and
11 twenty-six and one-tenth cents for motor fuel other than
12 ethanol blended gasoline.

13 (3) If the distribution percentage is greater than
14 fifty-five percent but not greater than sixty percent, the rate
15 shall be twenty-five cents for ethanol blended gasoline and
16 twenty-six and three-tenths cents for motor fuel other than
17 ethanol blended gasoline.

18 (4) If the distribution percentage is greater than sixty
19 percent but not greater than sixty-five percent, the rate
20 shall be twenty-five cents for ethanol blended gasoline and
21 twenty-six and five-tenths cents for motor fuel other than
22 ethanol blended gasoline.

23 (5) If the distribution percentage is greater than
24 sixty-five percent but not greater than seventy percent, the
25 rate shall be twenty-five cents for ethanol blended gasoline
26 and twenty-six and seven-tenths cents for motor fuel other than
27 ethanol blended gasoline.

28 (6) If the distribution percentage is greater than seventy
29 percent but not greater than seventy-five percent, the rate
30 shall be twenty-five cents for ethanol blended gasoline and
31 twenty-seven cents for motor fuel other than ethanol blended
32 gasoline.

33 (7) If the distribution percentage is greater than
34 seventy-five percent but not greater than eighty percent, the
35 rate shall be twenty-five and three-tenths cents for ethanol

1 blended gasoline and twenty-six and eight-tenths cents for
2 motor fuel other than ethanol blended gasoline.

3 (8) If the distribution percentage is greater than eighty
4 percent but not greater than eighty-five percent, the rate
5 shall be twenty-five and five-tenths cents for ethanol blended
6 gasoline and twenty-six and seven-tenths cents for motor fuel
7 other than ethanol blended gasoline.

8 (9) If the distribution percentage is greater than
9 eighty-five percent but not greater than ninety percent, the
10 rate shall be twenty-five and seven-tenths cents for ethanol
11 blended gasoline and twenty-six and four-tenths cents for motor
12 fuel other than ethanol blended gasoline.

13 (10) If the distribution percentage is greater than ninety
14 percent but not greater than ninety-five percent, the rate
15 shall be twenty-five and nine-tenths cents for ethanol blended
16 gasoline and twenty-six and one-tenth cents for motor fuel
17 other than ethanol blended gasoline.

18 (11) If the distribution percentage is greater than
19 ninety-five percent, the rate shall be twenty-six cents for
20 ethanol blended gasoline and twenty-six cents for motor fuel
21 other than ethanol blended gasoline.

22 Sec. 4. Section 452A.3, subsections 2 and 6, Code 2015, are
23 amended to read as follows:

24 2. Except as otherwise provided in this section and in this
25 division, after June 30, ~~2015~~ 2017, an excise tax of ~~twenty~~
26 twenty-six cents is imposed on each gallon of motor fuel used
27 for any purpose for the privilege of operating motor vehicles
28 in this state.

29 6. a. For the privilege of operating motor vehicles or
30 aircraft in this state, there is imposed an excise tax on the
31 use of special fuel in a motor vehicle or aircraft.

32 (1) The For the period beginning July 1, 2015, and ending
33 June 30, 2016, the tax rate on special fuel for diesel engines
34 of motor vehicles is ~~twenty-two~~ twenty-five and one-half cents
35 per gallon. After June 30, 2016, the tax rate on special

1 fuel for diesel engines of motor vehicles is twenty-eight and
2 one-half cents per gallon.

3 (2) The rate of tax on special fuel for aircraft is three
4 cents per gallon.

5 (3) On all other special fuel, unless otherwise specified in
6 this section, the per gallon rate is the same as the motor fuel
7 tax.

8 b. Indelible dye meeting United States environmental
9 protection agency and internal revenue service regulations must
10 be added to fuel before or upon withdrawal at a terminal or
11 refinery rack for that fuel to be exempt from tax and the dyed
12 fuel may be used only for an exempt purpose.

13 DIVISION II

14 WAGERING TAX RECEIPTS

15 Sec. 5. Section 8.57, subsection 5, paragraph f, Code 2015,
16 is amended to read as follows:

17 f. (1) (a) For the fiscal year beginning July 1, 2015, and
18 for each fiscal year thereafter, of the wagering tax receipts
19 received pursuant to sections 99D.17 and 99F.11, the first
20 fifty million dollars shall be deposited in the road use tax
21 fund created in section 312.1.

22 (b) For the fiscal year beginning July 1, ~~2013~~ 2015, and for
23 each fiscal year thereafter until the principal and interest on
24 all bonds issued by the treasurer of state pursuant to section
25 12.87 are paid, as determined by the treasurer of state, of
26 the wagering tax receipts received pursuant to sections 99D.17
27 and 99F.11, the ~~first~~ next fifty-five million dollars shall
28 be deposited in the revenue bonds debt service fund created
29 in section 12.89, and the next three million seven hundred
30 fifty thousand dollars shall be deposited in the revenue bonds
31 federal subsidy holdback fund created in section 12.89A.

32 ~~(b)~~ (c) For the fiscal year beginning July 1, ~~2013~~ 2015,
33 and for each fiscal year through the fiscal year beginning July
34 1, 2019, of the wagering tax receipts received pursuant to
35 sections 99D.17 and 99F.11, the next fifteen million dollars

1 shall be deposited in the vision Iowa fund created in section
2 12.72.

3 ~~{e}~~ (d) For the fiscal year beginning July 1, ~~2013~~ 2015,
4 and for each fiscal year thereafter, of the wagering tax
5 receipts received pursuant to sections 99D.17 and 99F.11, the
6 next sixty-six million dollars shall be deposited in the Iowa
7 skilled worker and job creation fund created in section 8.75.

8 ~~{d}~~ (e) For the fiscal year beginning July 1, ~~2013~~ 2015,
9 and for each fiscal year thereafter, the total moneys in excess
10 of the moneys deposited under this paragraph ~~"f"~~ in the road
11 use tax fund, the revenue bonds debt service fund, the revenue
12 bonds federal subsidy holdback fund, the vision Iowa fund,
13 and the Iowa skilled worker and job creation fund shall be
14 deposited in the rebuild Iowa infrastructure fund and shall be
15 used as provided in this section, notwithstanding section 8.60.

16 (2) For the fiscal year beginning July 1, ~~2013~~ 2015, and
17 for each fiscal year thereafter, after the deposit of moneys
18 directed to be deposited in the road use tax fund, as provided
19 in subparagraph (1), subparagraph division (a), if the total
20 amount of the wagering tax receipts received pursuant to
21 sections 99D.17 and 99F.11, and to be deposited pursuant to
22 subparagraph (1), subparagraph division ~~{a}~~ (b), is less
23 than the total amount of moneys directed to be deposited in
24 the revenue bonds debt service fund and the revenue bonds
25 federal subsidy holdback fund in the fiscal year pursuant to
26 subparagraph (1), subparagraph division ~~{a}~~ (b), the difference
27 shall be paid from moneys deposited in the beer and liquor
28 control fund created in section 123.53 in the manner provided
29 in section 123.53, subsection 3.

30 (3) For the fiscal year beginning July 1, ~~2013~~ 2015, and
31 for each fiscal year thereafter, after the deposit of moneys
32 directed to be deposited in the road use tax fund, as provided
33 in subparagraph (1), subparagraph division (a), and after the
34 deposit of moneys directed to be deposited in the revenue
35 bonds debt service fund and the revenue bonds federal subsidy

1 holdback fund, as provided in subparagraph (1), subparagraph
 2 division ~~(a)~~ (b), if the total amount of the wagering tax
 3 receipts received pursuant to sections 99D.17 and 99F.11, and
 4 to be deposited pursuant to subparagraph (1), subparagraph
 5 division ~~(b)~~ (c), is less than the total amount of moneys
 6 directed to be deposited in the vision Iowa fund in the fiscal
 7 year pursuant to subparagraph (1), subparagraph division ~~(b)~~
 8 (c), the difference shall be paid from lottery revenues in the
 9 manner provided in section 99G.39, subsection 3.

10 Sec. 6. Section 312.1, subsection 1, Code 2015, is amended
 11 by adding the following new paragraph:

12 NEW PARAGRAPH. *0e.* Revenue derived from the wagering tax
 13 receipts received pursuant to sections 99D.17 and 99F.11, to
 14 the extent provided under section 8.57, subsection 5, paragraph
 15 "f".

16 DIVISION III

17 AUTOMATED ENFORCEMENT REVENUE

18 Sec. 7. NEW SECTION. **384.3B Automated traffic enforcement**
 19 **program account.**

20 1. A city that uses one or more automated traffic
 21 enforcement systems to issue civil citations for violations of
 22 traffic ordinances classified as municipal infractions shall
 23 deposit revenues received from such citations in an automated
 24 traffic enforcement program account established within the
 25 city's general fund.

26 2. *a.* Moneys in the account shall be used to pay the costs
 27 of operating the city's automated traffic enforcement program.

28 *b.* Fifty percent of the moneys in the account in excess of
 29 the amount necessary for the purpose specified in paragraph
 30 "a" shall be remitted to the treasurer of state monthly and
 31 deposited in the road use tax fund created in section 312.1.
 32 Notwithstanding section 8.33, moneys transferred under this
 33 subsection shall not revert to the general fund of the state.

34 *c.* Moneys in the account in excess of the amount necessary
 35 for the purposes specified in paragraphs "a" and "b" may be

1 used as otherwise authorized by law for revenues collected from
2 municipal infraction citations.

3 3. For the purposes of this section, "*automated traffic*
4 *enforcement system*" means a device with one or more sensors
5 working in conjunction with one of the following:

6 a. An official traffic-control signal, as defined in section
7 321.1, to produce recorded images of motor vehicles entering an
8 intersection against a steady circular red light.

9 b. A speed measuring device to produce recorded images of
10 motor vehicles traveling at a prohibited rate of speed.

11 c. A device to produce recorded images of motor vehicles
12 violating a railroad grade crossing signal light, as described
13 in section 321.342.

14 d. Any official traffic-control device, as defined
15 in section 321.1, if failure to comply with the official
16 traffic-control device constitutes a moving violation under
17 chapter 321.

18 DIVISION IV

19 HIGHWAY MAINTENANCE PRIORITY

20 Sec. 8. Section 307.24, Code 2015, is amended to read as
21 follows:

22 307.24 Administration of highways.

23 The department's administrator of highways is responsible
24 for the planning, design, construction, and maintenance of
25 the state primary highways and shall administer chapters 306
26 to 320 and perform other duties as assigned by the director.
27 The administration of highways shall be organized to provide
28 administration for urban systems, for secondary roads,
29 and other categories of administration as necessary. The
30 administrator of highways shall prioritize the completion
31 of ongoing, unfinished projects related to construction and
32 maintenance of the state primary highways and four-lane divided
33 roadways over the commencement of new projects related to
34 construction and maintenance of the state primary highways and
35 four-lane divided roadways, notwithstanding any provision of

1 law to the contrary.

2 DIVISION V

3 EFFICIENCY MEASURES

4 Sec. 9. DEPARTMENT OF TRANSPORTATION EFFICIENCY MEASURES
5 — REPORT. The department of transportation shall implement
6 efficiency measures in an effort to save \$50 million that would
7 otherwise be appropriated from the road use tax fund or primary
8 road fund for department operations. The department shall
9 submit a report in an electronic format to the co-chairpersons
10 of the joint appropriations subcommittee on transportation,
11 infrastructure, and capitals, the chairpersons of the senate
12 and house standing committees on transportation, the department
13 of management, and the legislative services agency regarding
14 the implementation of such efficiency measures. The report
15 shall provide details of the one-time and long-term initiatives
16 undertaken by the department, and indicate the results of such
17 initiatives. The report shall be submitted by January 1, 2016.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with
20 the explanation's substance by the members of the general assembly.

21 This bill relates to increasing revenue to, and prioritizing
22 spending of, the road use tax fund.

23 DIVISION I — MOTOR FUEL EXCISE TAX. The bill increases
24 the rate of the excise tax on ethanol blended gasoline, motor
25 fuel other than ethanol blended gasoline, and special fuel for
26 diesel engines of motor vehicles by 3 cents beginning July 1,
27 2015, and by an additional 3 cents beginning July 1, 2016. The
28 bill provides that the distribution percentage formula for
29 determining the difference in the excise tax imposed on ethanol
30 blended gasoline and motor fuel other than ethanol blended
31 gasoline, which is due to expire on June 30, 2015, will expire
32 on June 30, 2017. After the distribution percentage formula
33 expires, the bill provides that the excise tax on each gallon
34 of motor fuel shall be 26 cents.

35 DIVISION II — WAGERING TAX RECEIPTS. The bill provides

1 that, beginning July 1, 2015, of the wagering tax receipts
2 received pursuant to Code sections 99D.17 and 99F.11 and
3 deposited pursuant to Code section 8.57, subsection 5, the
4 first \$50 million shall be deposited in the road use tax fund.
5 This provision takes priority over the deposit of moneys
6 into the revenue bonds debt service fund, the revenue bonds
7 federal subsidy holdback fund, the vision Iowa fund, the Iowa
8 skilled worker and job creation fund, and the rebuild Iowa
9 infrastructure fund.

10 DIVISION III — AUTOMATED ENFORCEMENT REVENUE. The bill
11 requires that 50 percent of the revenue generated from the
12 use of automated traffic enforcement systems be deposited in
13 the road use tax fund. The bill defines "automated traffic
14 enforcement system" as a device with one or more sensors
15 working in conjunction with an official traffic-control signal,
16 a speed measuring device, a device that records images of motor
17 vehicles violating a railroad grade crossing signal light, or
18 any official traffic-control device if failure to comply with
19 the traffic-control device would constitute a moving violation
20 if cited under state law.

21 The bill provides that a city with an automated traffic
22 enforcement system must establish a separate account in the
23 city's general fund for the deposit of revenues collected
24 from citations issued through the use of automated traffic
25 enforcement systems. Moneys in the account shall be used first
26 to pay the costs of the city's automated traffic enforcement
27 system. Fifty percent of the remaining moneys shall be
28 deposited in the road use tax fund. The remaining moneys in
29 the account may be transferred as authorized by law for revenue
30 collected from municipal infraction citations.

31 DIVISION IV — HIGHWAY MAINTENANCE PRIORITY. The bill
32 requires the department of transportation's (DOT) administrator
33 of highways to prioritize the completion of in-progress highway
34 construction and maintenance projects over the commencement of
35 new projects.

1 DIVISION V — EFFICIENCY MEASURES. The bill requires the DOT
2 to implement efficiency measures in order to save \$50 million
3 in expenditures on department operations. The department shall
4 submit a report in an electronic format to the co-chairpersons
5 of the joint appropriations subcommittee on transportation,
6 infrastructure, and capitals, the chairpersons of the senate
7 and house standing committees on transportation, the department
8 of management, and the legislative services agency regarding
9 the implementation of such efficiency measures. The report
10 shall provide details of the one-time and long-term initiatives
11 undertaken by the department, and indicate the results of such
12 initiatives. The report shall be submitted by January 1, 2016.